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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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02/02/2001

Thomas A. Rhee

8077

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LOS ANGELES, CA 90071-2611

EXAMINER

PATEL, JAGDISH

ART UNIT

PAPER NUMBER

3624

DATE MAILED: 09/28/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

## Office Action Summary

Application No.

09/776,379

Applicant(s)

RHEE, THOMAS A.

Examiner

JAGDISH PATEL

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3624

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 1 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 02022001.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 1-35 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☐ Claim(s) \_\_\_\_\_ is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☒ Claim(s) 1-35 are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- \* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- |  |   |
|--|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892)   | 4) <input type="checkbox"/> Interview Summary (PTO-413)<br>Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)                                   | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152)             |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)<br>Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____  |

### **DETAILED ACTION**

A telephone call was made to John P. Scherlach (Reg. 23,009) on 9/21/05 to request an oral election to the above restriction requirement, but did not result in an election being made.

Applicant is advised that the reply to this requirement to be complete must include an election of the invention to be examined even though the requirement be traversed (37 CFR 1.143).

### ***Election/Restrictions***

1. This application contains claims directed to the following patentably distinct species (1 and 2) of the claimed invention:

**Species 1:** Claims 1-10 are directed to a method of generating at least one portfolio according to investment parameters received from at least one investor.

If this species is elected, then further election to one of the following patentably distinct sub-species must be made.

#### **Sub-Species 1.1:**

Claims 1,2: rebalancing the portfolio to generate a new portfolio.

#### **Sub-Species 1.2:**

Claim 1,3: formulating an investment index using Modern Portfolio Theory, ranking stocks in said investment index against said investment parameters, and generating at least one optimum scenario portfolio based on said ranking.

#### **Sub-Species 1.3:**

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Claims 1,4: monitoring said portfolio to recommend at least one trade upon occurrence of a triggering event.

**Sub-Species 1.4:**

Claim 1, 5: automatically executing trades in accordance with investment parameters defined by an investor.

**Sub-Species 1.5:**

Claim 1, 6: providing trade recommendations to the investor, which may be approved or rejected by the investor.

**Sub-Species 1.6:**

Claim 1, 7, 8: generating at least one optimal scenario portfolio in accordance with said investment parameters and current market conditions and comparing expected returns of said optimal scenario portfolio with expected returns of at least one existing portfolio to provide trade recommendations.

**Sub-Species 1.7:**

Claim 1, 9, and 10: generating a market index in accordance with said investment parameters.

**Species 2:** Claims 11-35 are directed to a method of determining an optimal portfolio through the Internet by using investor questionnaires.

If this species is elected, then further election to one of the following patentably distinct sub-species must be made.

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**Sub-Species 2.1:**

Claims 11,12: allowing investors to manage multiple numbers of funds simultaneously through the Internet.

**Sub-Species 2.2:**

Claim 11,13: providing educational materials associated with managing funds through the Internet.

**Sub-Species 2.3:**

Claims 11,14: managing at least one securities database.

**Sub-Species 2.4:**

Claim 11, 15: using data interpolation and extrapolations, and adjustments for stock splits and dividends.

**Sub-Species 2.5:**

Claim 11, 16: resampling bond, equity and mutual fund data in accordance with at least one investor's investment planning horizon.

**Sub-Species 2.6:**

Claim 11, 17: regrouping securities for inclusion in an optimal portfolio in accordance with investor-specified criteria.

**Sub-Species 2.7:**

Claim 11, 18: generating at least one unique market index based on investor-specified criteria.

**Sub-Species 2.8:**

Claims 11,19: The method of claim 11, further comprising:

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automatically computing asset allocation and managing at least one cash account in real time.

**Sub-Species 2.9:**

Claims 11,20: readjusting portfolio formation in accordance with an investor's asset allocation and cash management criteria.

**Sub-Species 2.10:**

Claims 11,21: computing risk/return characteristics for analysis of bonds, stocks and mutual funds.

**Sub-Species 2.11:**

Claims 11,22: providing financial planning worksheets which link to and communicate with at least one of word processing, spreadsheet and database access programs.

**Sub-Species 2.12:**

Claims 11,23: selecting a set of securities from at least one portfolio in order to avoid duplicate portfolios when more than one investor has identical investment criteria.

**Sub-Species 2.13:**

Claims 11,24: dynamically adjusting return-generating functions by stochastic processes, thereby computing the means and the standard deviations of securities returns.

**Sub-Species 2.14:**

Claims 11,25: computing means and standard deviations of a plurality of portfolios and generating an efficient portfolio frontier based upon said computation.

**Sub-Species 2.15:**

Claims 11,26. generating an optimal portfolio by using principles set out in Modern Portfolio Theory and using data comprising bid/ask spreads, commissions and taxes.

**Sub-Species 2.16:**

Claims 11,27. computing an optimal portfolio weight after all transactions costs and taxes have been deducted.

**Sub-Species 2.17:**

Claims 11,28. The method of claim 11, further comprising:  
rebalancing at least one portfolio in real time according to an investor's tactical portfolio strategy, including a trading band.

**Sub-Species 2.18:**

Claims 11,29. The method of claim 11, further comprising:  
placing orders in multiples of ten or one hundred shares and placing buy orders after sell orders are placed and executed to ensure that sufficient cash is available in a cash account.

**Sub-Species 2.19:**

Claims 11,30. The method of claim 11, further comprising:  
blocking infinite numbers of continuous automatic trading by introducing a tolerance or precision level within which portfolio weights are optimally re-

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calculated.

**Sub-Species 2.20:**

Claims 11,31. The method of claim 11, further comprising:  
providing transactional accounting ledgers to an investor through the  
Internet for tax purposes.

**Sub-Species 2.21:**

Claims 11,32. The method of claim 11, further comprising:  
calculating an optimal scenario portfolio on the Internet at regular fixed  
intervals.

**Sub-Species 2.22:**

Claims 11,33. automating a basket-order portfolio system trading technique on  
the Internet.

**Sub-Species 2.23:**

Claims 11,34. monitoring portfolio performance automatically through the  
Internet to determine whether the portfolio satisfies an investor's target return to risk  
requirement.

**Sub-Species 2.24:**

Claims 11,35. providing a "Risk Thermostat" to show changing levels of risk for  
an existing portfolio in real time.

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2. Applicant is required under 35 U.S.C. 121 to elect a single disclosed species and  
respective one subspecies therefrom for prosecution on the merits to which the claims shall be



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restricted if no generic claim is finally held to be allowable. Currently, claims 1 and 11 are generic.

3. Applicant is advised that a reply to this requirement must include an identification of the species that is elected consonant with this requirement, and a listing of all claims readable thereon, including any claims subsequently added. An argument that a claim is allowable or that all claims are generic is considered nonresponsive unless accompanied by an election.

4. Upon the allowance of a generic claim, applicant will be entitled to consideration of claims to additional species which are written in dependent form or otherwise include all the limitations of an allowed generic claim as provided by 37 CFR 1.141. If claims are added after the election, applicant must indicate which are readable upon the elected species. MPEP § 809.02(a).

5. Should applicant traverse on the ground that the species are not patentably distinct, applicant should submit evidence or identify such evidence now of record showing the species to be obvious variants or clearly admit on the record that this is the case. In either instance, if the examiner finds one of the inventions unpatentable over the prior art, the evidence or admission may be used in a rejection under 35 U.S.C. 103(a) of the other invention.

### ***Conclusion***

6. Any inquiry concerning this communication or earlier communications from the examiner should be directed to JAGDISH PATEL whose telephone number is (571) 272-6748. The examiner can normally be reached on 800AM-600PM M-Th.

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If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vincent Millin can be reached on (571) 272-6747. The fax phone number for the organization where this application or proceeding is assigned is 517-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).



Jagdish N. Patel

(Primary Examiner, AU 3624)

9/21/05